



Annual Management Report of Fund Performance

for the financial year ended August 31, 2015

All figures are reported in Canadian dollars unless otherwise noted.

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. If you have not received a copy of the annual financial statements with this annual management report of fund performance, you can get a copy of the annual financial statements at your request, and at no cost, by calling us toll-free at 1-888-888-3863, by writing to us at Renaissance Investments, 1500 Robert-Bourassa Boulevard, Suite 800, Montreal, QC, H3A 3S6, by visiting the SEDAR website at sedar.com, or by visiting renaissanceinvestments.ca.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

Investment Objective: Frontiers Canadian Short Term Income Pool (the *Pool*) seeks to obtain a high level of interest income while maintaining security of capital and liquidity by investing primarily in high-quality debt obligations of Canadian and U.S. issuers.

Investment Strategies: The Pool invests primarily in securities issued by the Government of Canada, provincial or territorial governments and their agencies, Canadian chartered banks, Canadian loan or trust companies, and Canadian corporations.

Risk

The Pool is a Canadian short-term fixed income fund that is suitable for short-term investors who can tolerate low investment risk.

For the period ended August 31, 2015, the Pool's overall level of risk remains as discussed in the simplified prospectus.

Results of Operations

The portfolio advisor of the Pool is CIBC Asset Management Inc. (*CAMI*, the *Manager*, or *Portfolio Advisor*). The commentary that follows provides a summary of the results of operations for the period ended August 31, 2015. All dollar figures are expressed in thousands, unless otherwise indicated.

The Pool's net asset value increased by 2% during the period, from \$5,651 as at August 31, 2014 to \$5,766 as at August 31, 2015. Net sales of \$99 in the period included purchases of \$588 due to rebalancing of a portfolio product that holds units of the Pool. Positive investment performance also contributed to an overall increase in net asset value.

Class A units of the Pool posted a return of 0.3% for the period. The Pool's benchmark, the FTSE TMX Canada 91 Day T-Bill Index (the *benchmark*), returned 0.8% for the same period. The Pool's return is after the deduction of fees and expenses, unlike the benchmark.

The Bank of Canada (*BoC*) cut interest rates twice over the period, citing the collapse in oil prices as the reason for the decrease. The BoC also indicated that a further drop in the price of oil would

negatively affect Canadian economic growth and inflation. While the BoC has acknowledged that there is considerable uncertainty around its forecast, it has downgraded 2015 growth rates to 1.1% from the previous estimate of 1.9%. The weakness reflects further downgrades of business investment plans in the energy sector, as well as weaker-than-expected exports of non-energy commodities and non-commodities. Canada's real gross domestic product is projected to have contracted modestly in the first half of 2015, resulting in downward pressure on the rate of inflation.

The Pool's exposure to treasury bills provided little value, as treasury bill yields were stable, the yield curve was flat, and the likelihood of a near-term adjustment in monetary policy is low.

The Pool maintained an overweight allocation to corporate bonds, which contributed to its performance. Holdings in Canadian bank floating-rate notes and short-term, asset-backed securities also contributed to the Pool's performance. Floating-rate notes have a higher running yield than government or commercial paper.

With low and stable interest rates, a flat yield curve and narrow credit spreads, CAMI is targeting an exposure to higher-yield, short-term floating-rate notes.

Recent Developments

International Financial Reporting Standards (IFRS)

Investment companies that are publicly accountable enterprises or investment funds to which National Instrument 81-106 - *Investment Fund Continuous Disclosure* is applicable, are required to adopt IFRS for the first time for interim financial reports and annual financial statements relating to annual periods beginning on or after January 1, 2014. As a result, the Pool adopted IFRS as of September 1, 2014 and is publishing its first annual financial statements, prepared in accordance with IFRS for the year ended August 31, 2015. The 2015 interim financial reports and annual financial statements include 2014 comparative financial information and opening Statements of Financial

Position as at September 1, 2013. As at August 31, 2015, the impact of the Pool's transition to IFRS is summarized as follows:

- Under IFRS, the Pool measures the fair value of its investments using the guidance in IFRS 13 *Fair Value Measurement*, which requires that if an asset or a liability has a bid price or an ask price, then its fair value is to be based on a price within the bid-ask spread that is most representative of fair value. It also allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread. The Pool has adopted accounting policies for the valuation of investments to utilize mid-market prices that align more closely with the calculation of net asset value (NAV) used to price unitholder transactions (*Transaction NAV*).
- IFRS 10 *Consolidated Financial Statements* provides an exception to the consolidation requirements and requires an investment entity to account for its subsidiaries at fair value through profit or loss. The Manager has concluded that the Pool meets the definition of an investment entity as at August 31, 2015, August 31, 2014, September 1, 2013, and throughout the periods ended August 31, 2015 and August 31, 2014.
- Under Canadian generally accepted accounting principles (GAAP), the Pool accounted for its redeemable units as equity. Under IFRS, International Accounting Standard 32 *Financial Instruments Presentation (IAS 32)* requires that units or shares of equity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability. As at August 31, 2015, August 31, 2014, and September 1, 2013 the Pool's units did not meet the criteria in IAS 32 for classification as equity and therefore have been reclassified as financial liabilities on the Statements of Financial Position.
- IFRS requires the presentation of a Statement of Cash Flows, including comparatives for 2014. The Pool has not previously presented this statement as was permitted under Canadian GAAP.
- Other reclassifications, presentation differences, and additional disclosures are required in the financial statements to comply with IFRS.

Related Party Transactions

CIBC and its affiliates have the following roles and responsibilities with respect to the Pool, and receive the fees described below in connection with their roles and responsibilities.

Manager, Trustee, and Portfolio Advisor of the Pool

CAMI, a wholly-owned subsidiary of CIBC, is the Manager, Trustee, and Portfolio Advisor of the Pool. CAMI receives management fees with respect to the day-to-day business and operations of the Pool, calculated based on the net asset value of each respective class of units of the Pool as described in *Management Fees*. As Trustee, CAMI holds title to the property (cash and securities) of the Pool on behalf of its unitholders. As Portfolio Advisor, CAMI provides, or arranges to provide, investment advice and portfolio management services to the Pool. CAMI also compensates dealers in connection

with their marketing activities regarding the Pool. From time to time, CAMI may provide seed capital to the Pool.

Distributor

The CIBC Wood Gundy division of CIBC World Markets Inc. (*CIBC WM*) is a dealer through which units of the Pool are sold to investors. CIBC WM is a wholly-owned subsidiary of CIBC. CAMI may pay sales commissions and trailing commissions to the dealer in connection with the sale of units of the Pool. CIBC WM may pay a portion of these sales commissions and trailing commissions to their advisors who sell units of the Pool to investors.

Brokerage Arrangements and Soft Dollars

The Portfolio Advisor makes decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products (including futures) and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor to CIBC WM and CIBC World Markets Corp., each a subsidiary of CIBC. CIBC WM and CIBC World Markets Corp. may also earn spreads on the sale of fixed income securities, other securities, and certain derivative products (including forwards) to the Pool. A spread is the difference between the bid and ask prices for a security in the applicable marketplace, with respect to the execution of portfolio transactions. The spread will differ based upon various factors such as the nature and liquidity of the security.

Dealers, including CIBC WM and CIBC World Markets Corp., may furnish goods and services, other than order execution, when CAMI processes trades through them (referred to in the industry as "soft-dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist CAMI with investment decision-making services for the Pool or relate directly to the execution of portfolio transactions on behalf of the Pool.

The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the Pool are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool during that month.

In addition, CAMI may enter into commission recapture arrangements with certain dealers with respect to the Pool. Any commission recaptured will be paid to the Pool.

During the period, the Pool did not pay any brokerage commissions or other fees to CIBC WM or CIBC World Markets Corp. Spreads associated with fixed income and other securities are not ascertainable and, for that reason, cannot be included when determining these amounts.

Pool Transactions

The Pool may enter into one or more of the following transactions (the *Related Party Transactions*) in reliance on the standing instructions issued by the Independent Review Committee (*IRC*):

- invest in or hold equity securities of CIBC or issuers related to a portfolio sub-advisor;
- invest in or hold non-exchange-traded debt securities of CIBC or an issuer related to CIBC in a primary offering and in the secondary market;
- make an investment in the securities of issuers for which CIBC WM, CIBC World Markets Corp., or any affiliate of CIBC (a *Related Dealer*) acts as an underwriter during the offering of such securities at any time during the 60-day period following the completion of the offering of such securities (in the case of a “private placement” offering, in accordance with the exemptive relief order granted by the Canadian securities regulatory authorities and in accordance with the policies and procedures relating to such investment);
- purchase equity or debt securities from or sell them to a Related Dealer, where it is acting as principal;
- undertake currency and currency derivative transactions where a Related Dealer is the counterparty; and
- purchase securities from or sell securities to another investment fund or a managed account managed by the Manager or an affiliate of the Manager.

The IRC reviews the Related Party Transactions for which they have issued standing instructions at least annually. The IRC is required to advise the Canadian securities regulatory authorities if it determines that an investment decision was not made in accordance with conditions of its approval.

Custodian

CIBC Mellon Trust Company is the custodian of the Pool (the *Custodian*). The Custodian holds all cash and securities for the Pool and ensures that those assets are kept separate from any other cash or securities that the custodian might be holding. The Custodian also provides other services to the Pool including record-keeping and processing foreign exchange transactions. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by the Pool are paid by CAMI and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Pool during that month. All other fees and spreads for the services of the Custodian are paid by the Manager and charged to the Pool on a recoverable basis. CIBC owns a 50% interest in the Custodian.

Service Provider

CIBC Mellon Global Securities Services Company (*CIBC GSS*) provides certain services to the Pool, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Pool on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

Frontiers Canadian Short Term Income Pool

Financial Highlights

The following tables show selected key financial information about the Pool and are intended to help you understand the Pool's financial performance for the period ended August 31.

The Pool's Net Assets per Unit¹ - Class A Units

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------------------------------------------------|---------|---------|---------|---------|---------|
| Net Assets, beginning of period | \$ 9.94 | \$ 9.93 | \$ 9.91 | \$ 9.91 | \$ 9.87 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | \$ 0.12 | \$ 0.12 | \$ 0.13 | \$ 0.10 | \$ 0.11 |
| Total expenses | (0.09) | (0.09) | (0.09) | (0.09) | (0.09) |
| Realized gains (losses) for the period | — | — | (0.01) | 0.02 | (0.01) |
| Unrealized gains (losses) for the period | — | 0.01 | 0.01 | (0.01) | 0.03 |
| Total increase (decrease) from operations² | \$ 0.03 | \$ 0.04 | \$ 0.04 | \$ 0.02 | \$ 0.04 |
| Distributions: | | | | | |
| From income (excluding dividends) | \$ 0.04 | \$ 0.02 | \$ 0.02 | \$ 0.03 | \$ — |
| From dividends | — | — | — | — | — |
| From capital gains | — | — | — | — | — |
| Return of capital | — | — | — | — | — |
| Total Distributions³ | \$ 0.04 | \$ 0.02 | \$ 0.02 | \$ 0.03 | \$ — |
| Net Assets, end of period | \$ 9.93 | \$ 9.94 | \$ 9.93 | \$ 9.91 | \$ 9.91 |

¹ This information is derived from the Pool's audited annual financial statements. The Pool adopted IFRS on September 1, 2014. Previously, the Pool prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP) as defined in Part V of the CPA Canada Handbook. Under Canadian GAAP, the Pool measured fair values of its investments in accordance with CICA Handbook Section 3855 which required the use of bid prices for long positions and ask prices for short positions. As such, the net assets per unit figure presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements issued prior to September 1, 2014. Upon adoption of IFRS, the Pool measures the fair value of its investments by using the close market prices, where the close market price falls within the bid-ask spread. As such, the Pool's accounting policies for measuring the fair value of investments in the financial statements are consistent with those used in measuring the net asset value for transactions with unitholders. Accordingly, the opening net asset figure as at September 1, 2013 reflects the adjusted amount in accordance with IFRS. All figures presented for periods prior to September 1, 2013 were prepared in accordance with Canadian GAAP.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) from operations is based on the weighted average number of units outstanding during the period.

³ Distributions were paid in cash, reinvested in additional units of the Pool, or both.

Ratios and Supplemental Data - Class A Units

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------------------------------------------------------------|----------|----------|----------|----------|----------|
| Total Net Asset Value (000s)⁴ | \$ 5,766 | \$ 5,651 | \$ 6,432 | \$ 2,329 | \$ 2,055 |
| Number of Units Outstanding⁴ | 580,624 | 568,409 | 647,922 | 234,959 | 207,294 |
| Management Expense Ratio⁵ | 0.88% | 0.88% | 0.88% | 0.88% | 0.88% |
| Management Expense Ratio before waivers or absorptions⁶ | 3.41% | 3.18% | 3.47% | 3.50% | 3.87% |
| Trading Expense Ratio⁷ | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Portfolio Turnover Rate⁸ | 75.48% | 46.90% | 51.52% | 92.48% | 10.12% |
| Net Asset Value per Unit | \$ 9.93 | \$ 9.94 | \$ 9.93 | \$ 9.91 | \$ 9.91 |

⁴ This information is presented as at August 31 of the period(s) shown.

⁵ Management expense ratio is based on the total expenses of the fund (excluding commissions and other portfolio transaction costs), incurred by or allocated to a class of units for the period shown, expressed as an annualized percentage of the daily average net asset value of that class during the period.

⁶ The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated at any time without notice to unitholders.

⁷ The trading expense ratio represents total commissions and other portfolio transaction costs before income taxes expressed as an annualized percentage of the daily average net asset value during the period. Spreads associated with fixed income securities trading are not ascertainable and, for that reason, are not included in the trading expense ratio calculation.

⁸ The portfolio turnover rate indicates how actively the portfolio advisor and/or portfolio sub-advisor manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio turnover rate in a period, the greater the trading costs payable by a fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Pool, either directly or indirectly, pays an annual management fee to CAMI to cover the costs of managing the Pool. Management fees are based on the net asset value of the Pool and are calculated daily and paid monthly. Management fees are paid to CAMI in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. Advertising and promotional expenses, office overhead expenses, and trailing commissions are paid by CAMI out of the management fees received from the Pool. The Pool is required to pay applicable taxes on the management fees paid to CAMI. Refer to the simplified prospectus for the maximum annual management fee rate.

The following table shows a breakdown of the services received in consideration of the management fees, as a percentage of the management fees collected from the Pool for the period ended August 31, 2015. These amounts do not include waived fees or absorbed expenses.

| | Class A Units |
|-------------------------------------------------------|---------------|
| Sales and trailing commissions paid to dealers | 61.04% |
| General administration, investment advice, and profit | 38.96% |

Past Performance

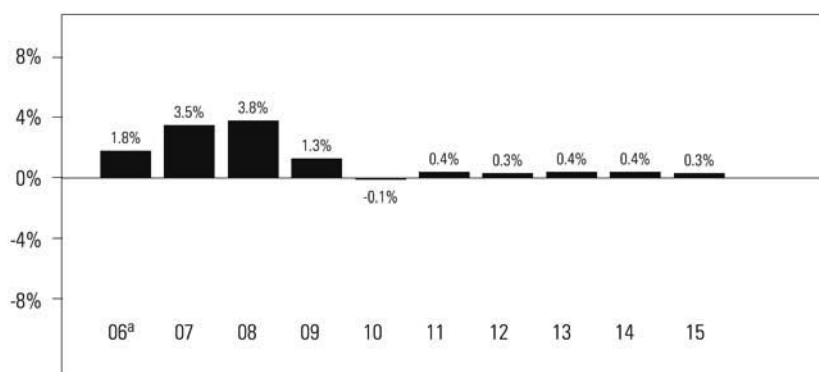
The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution, or other optional charges payable by any unitholder that would have reduced returns. Past performance does not necessarily indicate how a fund will perform in the future.

The Pool's returns are after the deduction of fees and expenses. See *Financial Highlights* for the management expense ratio.

Year-by-Year Returns

This bar chart shows the annual performance of Class A units of the Pool for each of the periods shown, and illustrates how the performance has changed from period to period. The bar chart shows, in percentage terms, how much an investment made on September 1 would have increased or decreased by August 31, unless otherwise indicated.

Class A Units



^a 2006 return is for the period from October 1, 2005 to August 31, 2006.

Annual Compound Returns

This table shows the annual compound return of each class of units of the Pool for each indicated period ended on August 31, 2015. The annual compound return is also compared to the Pool's benchmark(s).

The Pool's benchmark is the FTSE TMX Canada 91 Day T-Bill Index.

Frontiers Canadian Short Term Income Pool

| | <i>1 Year</i> | <i>3 Years</i> | <i>5 Years</i> | <i>10 Years*</i> | <i>or</i> | <i>Since Inception*</i> | <i>Inception Date</i> |
|-------------------------------------|---------------|----------------|----------------|------------------|-----------|-------------------------|-----------------------|
| Class A units | 0.3% | 0.4% | 0.4% | 1.2% | | | November 24, 1999 |
| FTSE TMX Canada 91 Day T-Bill Index | 0.8% | 0.9% | 0.9% | 1.8% | | | |

* If a class of units has been outstanding for less than 10 years, the annual compound return since inception is shown.

FTSE TMX Canada 91 Day T-Bill Index measures the returns attributable to 91-day Treasury Bills.

A discussion of the relative performance of the Pool compared to its primary benchmark(s) can be found in *Results of Operations*.

Frontiers Canadian Short Term Income Pool

Summary of Investment Portfolio (as at August 31, 2015)

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available by visiting renaissanceinvestments.ca. The Top Positions table shows a fund's 25 largest positions. For funds with fewer than 25 positions in total, all positions are shown.

| <i>Portfolio Breakdown</i> | <i>% of Net Asset Value</i> |
|--------------------------------|-----------------------------|
| Short-Term Investments | 85.7 |
| Fixed Income Securities | 14.0 |
| Cash | 0.9 |
| Other Assets, less Liabilities | -0.6 |

| <i>Top Positions</i> | <i>% of Net Asset Value</i> |
|-------------------------------------------------------------------|-----------------------------|
| Ridge Trust, Discount Note, 0.75%, 2016/01/27 | 7.8 |
| King Street Funding Trust, Discount Note, 0.75%, 2016/02/23 | 7.8 |
| Bay Street Funding Trust, Discount Note, 0.93%, 2015/10/14 | 6.9 |
| Darwin Receivables Trust, Senior Discount Note, 0.92%, 2015/10/30 | 5.2 |
| Storm King Funding, Discount Note, 0.93%, 2015/11/23 | 5.2 |
| Prime Trust, Senior Discount Note, 0.74%, 2016/01/26 | 5.2 |
| Province of Ontario, Treasury Bill, 0.77%, 2015/10/28 | 4.3 |
| Central 1 Credit Union, Discount Note, 0.89%, 2015/09/14 | 3.5 |
| First Bank, Bankers' Acceptance, 0.89%, 2015/10/28 | 3.5 |
| Toronto-Dominion Bank (The), Floating Rate, 0.94%, 2016/04/21 | 3.4 |
| Canadian Master Trust, Discount Note, 1.00%, 2015/12/17 | 3.0 |
| Royal Bank of Canada, Variable Rate, 0.86%, 2016/06/23 | 2.9 |
| CU Inc., Discount Note, 0.97%, 2015/09/15 | 2.6 |
| OMERS Financial Trust, Discount Note, 0.81%, 2015/10/01 | 2.6 |
| Husky Energy Inc., Discount Note, 0.74%, 2015/09/30 | 2.6 |
| Banner Trust, Discount Note, 0.92%, 2015/10/01 | 2.6 |
| Volkswagen Credit Canada Inc., Discount Note, 0.69%, 2015/11/17 | 2.6 |
| Inter Pipeline (Corridor) Inc., Discount Note, 0.71%, 2015/10/29 | 2.6 |
| Bell Canada, Discount Note, 0.72%, 2015/11/13 | 2.6 |
| Canadian Western Bank, Bearer Deposit Note, 1.25%, 2015/12/09 | 2.6 |
| Bank of Nova Scotia, Floating Rate, 0.83%, 2015/09/11 | 1.9 |
| National Bank of Canada, Floating Rate, 1.25%, 2016/06/23 | 1.5 |
| Bank of Montreal, Variable Rate, 1.24%, 2017/04/10 | 1.5 |
| Bank of Nova Scotia, Floating Rate, 0.85%, 2016/03/11 | 1.5 |
| National Bank of Canada, Variable Rate, 0.88%, 2016/06/22 | 1.4 |

The management report of fund performance may contain forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or other similar wording. In addition, any statements that may be made concerning future performance, strategies, or prospects and possible future actions taken by the fund, are also forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results and achievements of the fund to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market, and business conditions; fluctuations in securities prices, interest rates, and foreign currency exchange rates; changes in government regulations; and catastrophic events. CIBC Asset Management Inc. does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, or otherwise prior to the release of the next management report of fund performance.



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